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03 November 2014

Dear Phil,

RE: Airports Commission decision not to shortlist an Inner Thames Estuary option

Thank you for your letter of 10 October explaining the reasons behind the Commission's decision not to shortlist an option for a new hub airport in the Inner Thames Estuary. We do not accept your explanation for not shortlisting the option. As such I enclose our rebuttal document which sets out the evidence supporting the case for the ITE option to be given further consideration along with the other shortlisted options.

How the Commission's final recommendation is ultimately interpreted and acted on will be a matter for Government and we would like these decisions to be as well-informed as possible.

It appears that there are irreconcilable differences in our respective positions. This is because:

- 1. Our objectives differ.** The Mayor's interests and concerns lie in ensuring that London is a world-class city, with a world-leading selection of global connections and an airport system that minimises the environmental costs of aviation. This is a matter of public interest. The Airports Commission's principal concern appears to be to avoid risks and to focus on where it can get private interests to build a single runway.

Airports provide an air transport function, but also have a significant impact on wider planning objectives. A new hub airport is the only option which can achieve several air transport and vital planning objectives simultaneously. First, it could provide the airport capacity we need, with levels of utilisation that ensure flexible and resilient operations. Secondly, it can reduce the environmental impacts of aviation, in particular its harmful noise and air quality effects. Thirdly, it can meet our wider growth and development needs in a way that no other option can.

A new runway at Heathrow or Gatwick would require significant compromises to be made. Heathrow expansion would not give us the airport we need nor can it deliver the environmental (and specifically public health) benefits that a new hub airport could. With Gatwick, we would get an airport unable to attract many of the key longhaul routes that will be so valuable to London in the future. The Commission's lack of detail about potential destinations in future year scenarios is noted. TfL's air service connectivity model indicates a two runway Gatwick will enable four more longhaul destinations to be served than today, whereas a new hub airport could serve 70 more. It is disappointing that the Airports Commission have decided that the best outcome for the UK is for several of the UK's airports to compete with one another – but without enabling a strengthening of competition between airlines. We do not think that this decision is well-founded in evidence or is good public policy-making.

- 2. We have different views on timing and need.** Despite UK air passenger demand returning to significant growth in recent years, the Commission has reduced Government estimates of demand. In 2011, the Government projected UK-wide demand in 2050 was 592 million passengers per annum (mppa), and for a capacity unconstrained Heathrow to accommodate 178mppa in 2050. The Commission has introduced a new set of demand figures, with slower rates of growth. It is not clear what has changed to justify the Commission's figures. What is clear, however, is that the effect of these assumptions has been to dilute the case for more than one new runway to be looked at now. This view is compounded by the Commission using what could be argued to be overestimates of the potential throughput of a two runway Gatwick and a three runway Heathrow, at 85 and 130 mppa respectively. As a result the Commission has missed the opportunity to make a judgement about the necessary shape of Britain's airport architecture in the longer term and has focused instead on the near term. This is even though the

Commission identified in their Interim Report (published in December 2013) that a new runway would fill up shortly after opening, particularly if an acceptable degree of resilience is to be allowed for, in line with industry best practice.

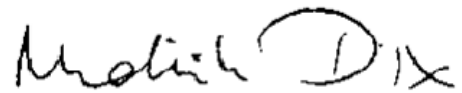
- 3. All locations have significant limitations – not just a new hub airport.** If we were evaluating the suitability of Heathrow or Gatwick for accommodating a brand new airport today, neither would pass the relevant tests. New runways at Heathrow and Gatwick have grievous limitations. Both face severe challenges in accommodating one new runway, and any further runway would prove extremely challenging. They are both locations which warrant operational restrictions which limit capacity at popular times, such as during the early morning period. That all options are difficult must be a central premise to the Commission's work, and that the ITE option is in itself difficult is no reason to discount it from the process. Discounting it before a similar level of analysis has been applied to the short-listed options does not appear to be rational.

The Commission's decision is likely to slow down the delivery of any solution. We do not think that having a very short shortlist at this stage will help any recommended solution pass the alternatives tests that will have to accompany the development of a National Policy Statement.

In our view, the Commission should want to place a series of options in front of Government for their judgement, and the investment of effort and resources in developing the option alongside the shortlisted schemes would not have been wasted work. We consider that the additional effort that would have accompanied the consultation and further development of an Inner Thames Estuary option would be justifiable and would have enhanced the credibility of the process which the Commission is undertaking.

The Mayor remains very concerned that the ITE option is no longer under consideration by the Commission. He reserves his legal rights to challenge formally the legality of the process or of any decision taken by the Government on the basis of the Commission's work.

Yours sincerely

A handwritten signature in black ink that reads "Michèle Dix". The signature is written in a cursive style with a large, prominent 'D'.

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Enc: The Mayor of London's response to the Airports Commission's Inner Thames Estuary Decision Paper

Airports Commission **Inner Thames Estuary Decision Paper**

The Mayor of London's response

October 2014

1. Purpose of paper and Introduction

- 1.1. The Airports Commission has decided not to shortlist an Inner Thames Estuary (ITE) option on the basis that it does not constitute a credible option¹. This paper documents the Commission's process and findings and asks a number of questions about the Commission's approach.
- 1.2. Transport for London wrote to the Airports Commission to share its fundamental concerns with them². The Commission rejected each point. The Commission's explanations are not accepted.
- 1.3. The Commission's decision does not reflect due consideration of all evidence submitted, while the approach taken by the Commission is potentially incompatible with its terms of reference and overarching objectives, and is at odds with the Mayor's statutory responsibilities.

2. The Airports Commission's decision – headline observations

- There remains no compelling evidence that an ITE option is not a credible option for meeting the UK's long term aviation demands. There is no clear justification for the Commission omitting it from their assessment at this stage.
- Key elements of the assumptions framework employed by the Commission are highly contestable, in particular its interpretation of timing and need.
- The Commission have made their decision prior to conducting a full evaluation of an ITE option, in spite of a commitment to undertake substantial further work to support any such decision.
- Important evidence submitted to the Commission by TfL and others does not appear to have been given due consideration as part of the decision making process.
- The methodological approach that underpins the Commission's decision

¹ Inner Thames Estuary Airport: Summary and Decision Paper, Airports Commission, September 2014

² Letter from Michèle Dix, MD Planning, TfL to Phil Graham, Secretary to the Airport Commission, 25 September 2014

appears to be flawed and in part is inconsistent with the Commission's own terms of reference.

- The Commission, unable to identify a single insuperable issue, has overemphasised the cumulative impact of a number of smaller risks; moreover, in the absence of a similar level of analysis of the shortlisted options, it is impossible for the Commission to credibly suggest that the risks identified for the ITE option are materially more significant than for the other options.

3. The Airports Commission's decision – key implications

3.1. Discounting an ITE option at this stage is likely to undermine the remaining assessment process and calls into question the usefulness of the Commission's final recommendations:

- The options remaining cannot meet UK aviation demand beyond 2030 – allowing for resilience in line with industry best practice – requiring a reopening of this process as soon as the Commission has reported.
- An incomplete analysis of alternatives will undermine the Government's ability to draw up a national policy statement (NPS), which was a key Commission objective; this will likely delay any NPS process as alternatives are considered.
- By focusing on the shape of Britain's airport architecture in the near term, the Commission has placed itself out of step with both the time-horizon and deliberations of the Mayor in discharging his statutory duties, not least with regards to transport, the environment and spatial development in London. By doing so, the Commission has immeasurably weakened the value of its deliberations.

4. Overview of the Mayor and TfL's support to the Commission's process

4.1. Throughout the Commission's assessment process, the Mayor and TfL have been fully engaged, submitting over 50 documents and 1,000 pages of technical evidence. A full overview of the Mayor's engagement with the Airports Commission and the wider aviation debate is detailed online, at www.newairportforlondon.com. Each of the formal submissions that the Mayor and TfL has made to the Commission have been published and made available for download at this address.

4.2. Whilst acknowledging it would not be without its challenges, the evidence provided by the Mayor, TfL and other parties to date demonstrates that an ITE option is deliverable and that its benefits could be unrivalled.

We have posed and considered a number of questions about the Commission's decision

Questions 1-5 raise key questions about the Commission's approach. Then follows a consideration of the implications of discounting the ITE option at this stage.

5. Question 1: What assumptions framework has the Commission's assessment used, and how has this influenced their decision?

The Commission have made a number of highly contestable assumptions which create fundamental obstacles to the case for a new hub airport.

5.1. For example:

- The Commission have introduced a new set of future year air passenger demand forecasts³, with slower rates of growth than forecast by the Government in 2011, despite UK air passenger demand returning to significant growth in recent years. In 2011, the Government projected UK-wide demand in a central case in 2050 to be 592 million passengers per annum (mppa), and for a capacity unconstrained Heathrow to accommodate 172mppa in 2050⁴. It is clear that the effect of these assumptions has been to dilute the case for more than one new runway to be looked at now. This view is compounded by the Commission using what could be argued are overestimates of the potential throughput of a two runway Gatwick and a three runway Heathrow, at 84 and 130 mppa respectively:
 - 84mppa at Gatwick entails a 140% increase in passenger numbers over today's throughput, with the airport already operating at a high runway utilisation; such an increase implies a) utilisation levels with no slack to ensure resilience and b) a very significant increase in passengers per plane implying a substantial shift to longhaul – which is not backed up by the modelling.
 - 130mppa at Heathrow implies a third runway delivering an 85% increase in passengers over today – with the airport already operating at around 99% runway utilisation. As well as continued delays and lack of resilience, this also suggests heroic assumptions about future passengers per planes.
- The Commission's connectivity modelling assessment underplays the benefits of a hub airport. The Commission does not go into any detail about potential destinations in future year scenarios, and their decision paper reports '*a small difference in destinations served*'⁵. TfL's air service connectivity model says a two runway Gatwick will enable 4 more longhaul destinations to be served than today; a new hub airport would enable 70 new longhaul routes.
- Assumptions around potential future year surface access networks are

³ Interim Report, Appendix 3, Airports Commission, December 2013

⁴ DfT Aviation Forecasts (2011)

⁵ Inner Thames Estuary Airport: Summary and Decision Paper, Airports Commission – Para 3.6

important. The Commission deny the good accessibility that a new hub airport to the east of London could have to the important catchments of West London and the Thames Valley from a new hub airport by excluding assumption of a High Speed 2-High Speed 1 link⁶.

6. Question 2: Has the Commission delivered on its commitment within the Interim Report to undertake substantial further work to assess the impacts of an ITE option fully?

There are several areas in which further work could have proved valuable, and the decision to discount the ITE option seems premature.

- 6.1. In its Interim Report, the Commission committed to undertake further assessment to test the credibility of an ITE option. It made clear that “*substantial further work*” was required to evaluate the impacts fully and that “*further analysis*” was required in relation to a number of key issues⁷. There are, however, a number of such issues – such as wider economic impacts – which the Commission still deem uncertain. The Commission’s decision paper judges an ITE option ‘would not necessarily constitute a net economic gain for the country and outweigh economic losses elsewhere’. Both TfL’s and the Commission’s own feasibility study emphasised the need for additional macro-economic modelling before a conclusion can be reached.
- 6.2. In these areas, further work could have proved valuable, and the decision to discount the ITE option seems premature.

7. Question 3: Has the Commission taken full account of the evidence and views of key stakeholders?

The Commission states that evidence it received was duly noted and ‘carefully considered’; it is, however, impossible in places to identify how key evidence has been reflected upon – or, where it has been discounted, the reasons for doing so.

- 7.1. The Commission states that evidence it received was duly noted and ‘*carefully considered*’; it is, however, impossible in places to identify how key evidence has been reflected upon – or, where it has been discounted, the reasons for doing so.
- 7.2. This is particularly relevant to the Commission’s ITE call for evidence – made this summer – on four studies. TfL’s response to the four draft feasibility studies published by the Commission’s consultants identified a number of examples of where the evidence submitted appears to have been misinterpreted or overlooked

⁶ Inner Thames Estuary Airport: Summary and Decision Paper, Airports Commission – Para 3.40

⁷ Interim Report, Airports Commission, December 2013 – Para 6.44-6.45

entirely⁸. Key concerns include:

- The Commission's decision paper suggests that the economic benefits of a new hub airport are overstated because they are based on higher passenger figures than are likely to be achieved⁹. TfL have however recalculated brand new economic impact figures which have tracked the Commission's steadily reducing demand figures.
- The Commission downplays the noise benefits of a new hub airport by claiming the '*number of flights passing over Central London may reduce*'¹⁰. Use of the word '*may*' indicates a substantial degree of doubt; yet TfL's ITE flight path modelling shows clearly that London could avoid being overflown altogether¹¹.
- The Commission claims that the ability to support 24-hour operations is '*of limited relevance*'¹². The significance of 24-hour operations is the ability to operate in the night period without significant noise disturbance; it is only possible for the Commission to reach this conclusion if based on an interpretation of the night period which excludes early morning arrivals, which the Commission itself recognises as valuable. However, this is at odds with World Health Organisation (WHO) guidance of a night period of 11pm-7am, nor does it reflect the sleep patterns of hundreds of thousands of local residents. Downplaying 24-hour operations in this way also underestimates the value of overnight freight movements at the hub, the importance of which has been emphasised by the Freight Transport Association and others.
- The Commission, perhaps focusing on the local authority campaign, underplays the scale of business support in the Thames Gateway¹³. Its feasibility study findings, reinforced by the recent member survey by Kent Invicta Chamber of Commerce, found that when businesses in Kent were asked, there was strong support for a new hub airport in the ITE.
- The Commission suggests considerable uncertainty about the potential benefits of Heathrow redevelopment¹⁴. Evidence of wider opportunities for businesses and employees in the West London/Thames Valley economy – and the potential for mechanisms such a Development Corporation to drive delivery – was submitted. The Commission cite a relatively slow pace of redevelopment at other former airport sites – without recognising the unique pressure for land in

⁸ It is noted that other stakeholders (both supporters and non-supporters of an ITE Option) also raised similar issues as part of their response to the feasibility studies. These included Fosters+Partners, the London Borough of Hounslow and Basildon Borough Council.

⁹ Inner Thames Estuary Airport: Summary and Decision Paper, Airports Commission – Para 3.8

¹⁰ Inner Thames Estuary Airport: Summary and Decision Paper, Airports Commission – Para 2.9

¹¹ Mayor of London submission to Airports Commission: Outline proposal for long term aviation capacity, July 2013 (Figure 6.2)

¹² Inner Thames Estuary Airport: Summary and Decision Paper, Airports Commission – Para 2.8

¹³ Inner Thames Estuary Airport: Summary and Decision Paper, Airports Commission – Para 3.61

¹⁴ Inner Thames Estuary Airport: Summary and Decision Paper, Airports Commission – Para 3.24

London, where housing supply is struggling to keep pace with demand in the face of a burgeoning population.

- The nature of the advice that National Air Traffic Services (NATS) has provided to different parties in the process remains of concern. The published advice from NATS to TfL confirmed that both London City and Southend airports could co-exist with an Estuary airport and NATS did not raise the issue of any movement cap. The Commission initially interpreted the advice it had received from NATS to mean that a new hub airport would require the closure of London City and Southend airports. This has since been revised to say that the airports could co-exist, albeit with restrictions, and that there would be a limit on movements. Despite assurances from the Commission, in such an environment, it is not at all clear that the potential impacts can be understood without detailed modelling by NATS being undertaken – as NATS itself has previously highlighted.

7.3. There is also concern about the time allowed for consideration of the responses to the draft feasibility studies – only three weeks between receipt of responses by the Commission and publication of its shortlisting decision. It would have been very difficult for the Commission to have reviewed and taken on board all the evidence received. TfL alone submitted a response of over 100 pages.

8. Question 4: Is the Commission’s approach to determining the impacts of an ITE option logical and consistent with its own terms of reference?

There are a number of examples where the evidence used or approach taken by the Commission in reaching its decision has been based on assumptions which appear flawed and at times incompatible with its terms of reference.

8.1. Of particular concern is the inconsistency in the Commission’s approach with its own Terms of Reference¹⁵, notably its requirement to:

- Examine ‘*any requirement for additional capacity to maintain the UK’s position as Europe’s most important aviation hub and...identify and evaluate how any need for additional capacity should be met in the short, medium and long term*’ [emphasis added].
- Assess the options for ‘*meeting the UK’s international connectivity needs, including their economic, social and environmental impact*’ [emphasis added].

8.2. In considering the first requirement, the Commission has remained focused on delivering a single new runway to meet 2030 demand – if levels of resilience follow industry best practice – with only a cursory review of how any capacity requirements could be met beyond that. This is particularly unwise given infrastructure delivery

¹⁵ <https://www.gov.uk/government/organisations/airports-commission/about/terms-of-reference>

timescales and the UK's track record of providing additional airport capacity. This is also not in keeping with other long term infrastructure planning processes such as the Mayor's infrastructure Plan which looks ahead to 2050.

- 8.3. The Commission's Interim Report (Para 6.88) suggests that a 3-runway Heathrow would effectively be full soon after opening. Even if one were to assume that a three runway Heathrow could accommodate 130 million passengers per annum (mppa) - nearly double current demand at the two runway airport which is full today - at this level, it would operate with no margin for resilience and recovery from delays. In any case, the Commission's own demand forecasts estimate it would exceed 130mppa in 2038 - i.e. before the 2040s, contrary to the Commission's claims.
- 8.4. Moreover, despite the Commission's terms of reference making explicit reference to the maintenance of the UK as '*Europe's most important aviation hub*', the Commission has decided to leave it as an open question whether this objective requires a hub airport. It would be remarkable if the country's hub aviation status could be maintained without a hub airport, yet the Commission, in clear contravention of its terms of reference, has short-listed a second runway at Gatwick that is incompatible with the maintenance of the country's hub status. The Commission seems not to have grasped the nature and benefits of a hub airport, in spite of the evidence and near universal view in the industry. Instead, it has been distracted by the growth of so-called '*point-to-point*' traffic, not recognising that this merely describes a particular current business model for certain airlines - nor recognising the reality that even such airlines also use hub airports when there are slots available - as easyJet have said they would do, if there were slots at Heathrow. The Commission has failed to acknowledge that, even as it plays up the uncertainty about the future shape of the industry, only new hub airport capacity is a solution which can respond to differing visions of the future of the industry, able to accommodate both hub-focused and point-to-point development. As a result, the Commission is now considerably adrift from its own terms of reference and is likely to fail to address the objective set.
- 8.5. In considering the second requirement, the Commission's decision does not fully engage with the social and economic dimensions that would be associated with any future airport development. Whilst considering local impacts in some detail, the Commission, does not appear to acknowledge and take into account the wider spatial opportunities and implications of future airport development, not only in supporting the airport itself but also in addressing wider social, economic and environmental challenges at the sub-regional and regional scale.
- 8.6. In view of the Mayor's responsibilities as set out in the GLA Act, TfL have consistently highlighted the potential for a new hub airport to deliver transformational spatial and economic benefits. A new hub airport could help address London's severe housing shortage and 'kick-start' areas earmarked for regeneration within the vicinity of the airport and wider region. The Commission do not give full consideration to

these benefits.

9. Question 5: Has the Commission overstated the risks, citing uncertainties about issues well understood and not recognising the comparable scale of risks of the shortlisted options?

Yes. The Commission's decision is based on several smaller perceived risks rather than dependent on a single insuperable issue. The level of risk associated with specific issues appears to be overstated.

- 9.1. The Commission's risks result from alleged uncertainties in the potential benefits or impacts. Yet most of these issues are actually quite well understood from the evidence provided to the Commission. Examples include:
 - The Commission state that whether an ITE option presents an attractive solution to the UK's long term aviation capacity needs is 'not clear'; yet evidence demonstrates that only a new ITE hub option can meet long term airport demand beyond 2030 when taking into account the both the necessary operational, capacity and connectivity requirements, if London and the UK are to remain competitive.
 - The Commission declares that the ability of the proposals to meet the EU habitats directive IROPI (imperative reasons of overriding public interest) test has not been demonstrated and so presents a material risk; however, legal advice received and supplied to the Commission by TfL makes clear that the obstacles are not insurmountable.
- 9.2. However, if, despite the evidence, the Commission remain unclear or uncertain about such impacts then it is not clear why the Commission have not sought to clarify further such important issues.
- 9.3. It is also deeply problematic that the Commission has sought to reach a determination on the ITE following detailed study, without subjecting the short-listed options to similar levels of study.
- 9.4. The Commission admits that there is no single insuperable obstacle to the ITE option and that its decision to rule it out is based on the accumulation of a number of factors. This is essentially an exercise in comparison therefore – it is in principle possible for the short-listed options, when thoroughly examined, to face a similar accumulation of uncertainties, costs and other obstacles such that they would score even worse than the ITE.
- 9.5. Certainly, many of the risks associated with the delivery of an ITE option are comparable, and in certain cases would be lower, than the expansion at Heathrow or Gatwick. For example, there is well known political and community opposition to any future expansion at Heathrow – with the three major political parties, and numerous

local authorities opposed to any future expansion – and this is an issue entirely overlooked.

- 9.6. There are also additional risks for the alternative options, not least the added risks at these locations of having to work around an operational airport site. The level of detail to which an ITE option has been considered is, for many elements (for example environmental, economic, people, and operational viability impacts) far more advanced than for either the Heathrow or the Gatwick options. Without capturing the scale of risks associated with all the shortlisted options, it is premature to suggest the risks for an ITE option are materially more substantial.
- 9.7. It is also worth noting that the “Heathrow Hub” option, for example, though short-listed, remains almost wholly unexplored as to detail – and indeed the airport operators at Heathrow have claimed it is unworkable in practice: yet it remains shortlisted despite there being so little known about it.

10. Implications of discounting an ITE option: undermining the Commission’s own final recommendation

- 10.1. The discounting of an ITE option at this stage is likely to undermine the strength of the Commission’s final recommendation:
- Only two location options remain, neither of which are able to meet UK aviation demand beyond 2030; this means further consideration of how UK aviation requirements up to 2050 and beyond will need to begin as soon as the Commission has reported.
 - There will be shortcomings in the Commission’s forthcoming public consultation on how best to meet long term aviation needs – information about all credible options will not be available to stakeholders.
 - The Commission’s final report will lack an objective assessment of the relative benefits and disbenefits of all credible alternatives for maintaining the UK’s aviation hub status and capable of meeting long term aviation needs of the UK – limiting the opportunity to identify the most efficient and cost-effective long term solution for meeting airport demand beyond 2030.
 - The incomplete analysis of all credible options will not ‘*support the government in preparing a national policy statement to accelerate the resolution of any future planning applications for major airports*’ – a key requirement of the Commission’s Terms of Reference. This may delay any NPS process given the requirement for consideration of reasonable alternatives as part of the European SEA Directive.
 - The Commission has quite deliberately avoided the opportunity to make a judgement about the necessary shape of Britain’s airport architecture in the longer term and has focused instead almost exclusively on the near term and

therefore on the question where to put a single runway, though admitting that demand for a further one will rapidly follow. In doing so, the Commission has placed itself out of step with both the time-horizon and the deliberations necessarily adopted by the Mayor in the discharge of his statutory duties. The Mayor is charged with making spatial development, transport and environmental dispositions (as well as providing homes and facilitating the supply of jobs) in a city that can reliably be forecast to grow to 10 million people by 2030 and quite possibly 11.5 million people by 2050. The location of the city's principal airport and the pattern of runway distribution are factors of enormous relevance to these responsibilities, yet the Commission has ignored them almost totally. In doing so, the Commission has ensured that the value of its deliberations on the location of the aviation infrastructure serving the city are immeasurably weakened.

- 10.2. Taken together, these shortcomings are likely to undermine the objective of the Commission to help deliver a timely solution to the UK's long term aviation requirements, irrespective of the final recommendation. It is TfL's view that an ITE option will need to be revisited as part of the NPS process and in any case revisited as part of any future debate to meet capacity beyond 2030 – it is difficult to see how any Government could commit to delivering a new runway when options for meeting capacity beyond 2030 are unknown.

11. Log of issues relating to how Commission's reached its decision

- 11.1. Two tables have been compiled which relate to the first five questions posed above.
- 11.2. We have identified where the Commission's decision has potential weaknesses relating to:
- Question 1 – the overarching assumptions that the Commission have conducted their work within
 - Question 2 – whether the Commission has met its Interim Report commitment to fully assess an Inner Thames Estuary option
 - Question 3 – whether the Commission have fully taken all evidence into account
 - Question 4 – whether the Commission's approach is logical and consistent with its terms of reference
 - Question 5 – whether the Commission have overstated the element of risk or uncertainty associated with key issues
- 11.3. We have considered the breadth of shortcomings across the different criteria that the Commission have assessed an ITE option against.

- 11.4. The written sections of this document – as above – provide a summary of observations, and key themes that we have observed.
- 11.5. **Table 1** provides an overview of the breadth of potential shortcomings across the Commission’s Phase 1 sift criteria.
- 11.6. **Table 2** sets out a detailed log of observations made, and the types of potential shortcoming that each represents.

Table 1: Overview of specific concerns with the Commission’s decision, by sift criteria

An ‘**X**’ denotes a potential shortcoming that we have observed in the Commission’s approach. Five types of potential shortcoming have been identified, and these have been considered them in the context of the Commission’s eight phase I criteria

Phase I Sift Criteria	Potential Shortcomings in Commission’s Approach				
	Question 1: Commission’s overarching assumptions	Question 2: Has the Commission delivered on its commitment to fully assess an ITE option	Question 3: Have the Commission taken full account of the available evidence	Question 4: Logical approach and consistent with Commission’s Terms of Reference	Question 5: Overstates risk / uncertainty resulting in the premature dismissal of ITE option
Strategic Fit	X	X	X	X	X
Economic Impacts		X	X	X	X
Surface Access	X		X	X	X
Environmental Impacts		X	X		X
People			X		X
Cost			X	X	X
Operational Viability			X		X
Delivery			X	X	X

Table 2: Detailed log of potential shortcomings in the Commission's approach, by the Airports Commission's Phase 1's sift criteria

		Potential Shortcoming in the Airports Commission's approach An 'X' denotes where a potential shortcoming has been observed in the Commission's approach.					
The Airports Commission's Position [Issues are structured under the Airports Commission's Phase 1 Sift Criteria]	Question 1: Commission's overarching assumptions	Question 2: Has the Commission delivered on its commitment to fully assess an ITE option	Question 3: Have the Commission taken full account of the available evidence	Question 4: Logical approach and consistent with Commission's Terms of Reference	Question 5: Overstates risk/uncertainty resulting in the premature dismissal of ITE option	Concerns with the Airports Commission's position	Relevant references
Strategic Fit							
<p>The Commission's focus is on the delivery of 'one net new runway by 2030'. The Commission state that the case for a second net-additional runway and how it could best be delivered (without specifying location) will form part of its final recommendations.</p>	X		X	X	X	<ul style="list-style-type: none"> The Commission has chosen not to make a judgement about the necessary shape of Britain's airport architecture in the longer term. It has focused instead almost exclusively on the near term and therefore on the question where to put a single runway, though admitting that demand for a further one will rapidly follow. In doing so, the Commission has placed itself out of step with both the time-horizon and the deliberations necessarily adopted by the Mayor in the discharge of his statutory duties. The Mayor is charged with making spatial development, transport and environmental dispositions (as well as providing homes and facilitating the supply of jobs) in a city that can reliably be forecast to grow to 10 million people by 2030 and quite possibly 11.5 million people by 2050. The location of the city's principal airport and the pattern of runway distribution are factors of enormous relevance to these responsibilities, yet the Commission has ignored them almost totally. In doing so, the Commission has ensured that the value of its deliberations on the location of the aviation infrastructure serving the city are immeasurably weakened. 	<p>Letter from the Mayor to Sir Howard Davies, 12 February 2014</p> <p>TfL response to AC Feasibility Study call for evidence (Para 2.2)</p>
						<ul style="list-style-type: none"> In focusing on the delivery of a single runway by 2030, the Commission underplay their own evidence which demonstrates the need for a second runway by 2050. 	<p><i>AC Interim Report Appendix 3: Technical Appendix</i></p>
						<ul style="list-style-type: none"> Such an approach does not allow for consistency with the Commission's own terms of reference as any phased approach is likely to prejudice the identification of the best option – in terms of efficiency and cost effectiveness – for meeting the UK's long term requirements. For example, the delivery of a third runway at Heathrow would significantly erode any potential for future closure; restricting future opportunities for providing hub capacity. 	<p><i>AC Terms of Reference</i></p> <p>TfL response to AC Feasibility Study call for evidence (Para 2.2, 8.6)</p>
						<ul style="list-style-type: none"> As demonstrated by the Commission's own demand forecasts, a third runway at Heathrow would effectively be full by 2030 (allowing for resilience in line with best practice). There would then be an immediate need for a second net additional runway, requiring a review of long term options immediately after its recommendations are reported. Even assuming 99% runway utilisation - with no allowance for resilience and so at odds with industry best practice - the Commission's own demand forecasts indicate that Heathrow would exceed its capacity in 2038. 	<p><i>AC Interim Report (Para 6.88)</i></p> <p><i>AC Interim Report Appendix 3: Technical Appendix</i></p> <p>TfL response to AC Feasibility Study call for evidence (Para 8.5)</p>
						<ul style="list-style-type: none"> A 2030 timescale does not fulfil the Commission's responsibility to inform a long term Government strategy on aviation policy. Nor is it consistent with other long term, infrastructure planning timescales (e.g. London Infrastructure Plan: 2050; Department for Energy and Climate Change – Long-term Nuclear Energy Strategy to 2050) 	<p>TfL response to AC Feasibility Study call for evidence (Para 2.2)</p>

<p>The Commission assert that:</p> <ul style="list-style-type: none"> there is not a binary choice between hub and point-to-point capacity and a single, large hub airport would not provide a higher level of connectivity than a dispersed option 	X		X	X	X	<ul style="list-style-type: none"> Despite the Commission's terms of reference making explicit reference to the maintenance of the UK as 'Europe's most important aviation hub', the Commission has decided to leave it as an open question whether this objective requires a hub airport. The Commission, in clear contravention of its terms of reference, has short-listed a second runway at Gatwick that is incompatible with the maintenance of the country's hub status. The Commission has failed to acknowledge that, even as it plays up the uncertainty about the future shape of the industry, only new hub airport capacity is a solution which can respond to differing visions of the future of the industry, able to accommodate both hub-focused and point-to-point development. As a result, the Commission is now considerably adrift from its own terms of reference and is likely to fail to address the objective set. The Commission have undervalued a wealth of evidence demonstrating significant and unique benefits of hub connectivity over options which only offer point to point connectivity. The Commission's terms of reference state that its objective is to consider "the scale and timing of any requirement for additional capacity to maintain the UK's position as Europe's most important aviation hub". The Commission have undervalued advice from industry leaders provided before the issuing of the Commission's decision regarding the importance and need for hub capacity in supporting UK competitiveness. The Commission appears to fail to consider destination forecasts provided by TfL which demonstrate that significant additional destinations would be accommodated system wide across London with a four runway hub airport, compared to a 3-runway hub or dispersed option. The Commission appears to fail to consider evidence that demonstrates the significant uplift in regional connectivity that could be achieved system wide across London with a four runway hub airport, compared to a 3-runway hub or dispersed option. 	<p>AC Terms of Reference</p> <p>TfL Response to AC Discussion Paper 04, Airport Operational Models.</p> <p>TfL response to AC Feasibility Study call for evidence (Table 12)</p> <p>TfL response to AC Feasibility Study 3 (Table 2)</p> <p>AC Terms of Reference</p> <p>FTA, Sky High Value, 2014</p> <p>CBI, Boosting capacity where it matters most – the hub is the hub, 2014</p> <p>York Aviation: London Airports Route Networks in 2050</p> <p>TfL response to AC Feasibility Study call for evidence (Table 12)</p> <p>TfL response to AC Feasibility Study 3 (Table 3)</p> <p>York Aviation: Making Connections – Improving the UK's domestic connectivity</p> <p>UK Domestic Aviation Connectivity: The impact of a new four runway hub (Full Report, 2014)</p> <p>TfL response to AC Feasibility Study Call for evidence (Table 3)</p>
<p>The Commission assert that a hub option is not necessarily an attractive solution to the UK's long term aviation needs as it may detrimentally impact upon the effectiveness of the wider airports system.</p>	X		X	X		<ul style="list-style-type: none"> Evidence submitted by TfL demonstrates that hub airport could operate effectively as part of any airports system. The Commission's position is based on a decision which is underpinned by an illogical and inadequate approach taken by the Commission which effectively ignores long term (beyond 2030) airport requirements (detailed above). 	<p>York Aviation: London Airports Route Networks in 2050</p> <p>TfL response to AC Feasibility Study call for evidence (Table 12)</p>
<p>The Commission suggest that a new hub airport would 'severely limit' the operational capacity of London City and Southend airports, which may render them unviable</p>		X	X		X	<ul style="list-style-type: none"> The nature of the advice that National Air Traffic Services (NATS) has provided to different parties in the process remains of concern. The published advice from NATS to TfL confirmed that both London City and Southend airports could co-exist with an Estuary airport; moreover, when presented with a 4-runway hub airport of around one million movements, no concerns were raised. The advice provided by NATS to the Commission was initially interpreted as an ITE airport requiring the closure of London City and Southend airports. This has since been revised to say that the airports could co-exist, albeit with restrictions and that there would be a limit on movements. 	<p>TfL response to AC ITE Feasibility Study 4 (Para 3.23)</p> <p>AC Draft Feasibility Study 2 (Annex A)</p> <p>NATS: TfL workshop notes 28 June 2013</p>

						<ul style="list-style-type: none"> Despite assurances from the Commission, in such an environment, it is not at all clear that the potential impacts can be understood without detailed modelling by NATS being undertaken – as NATS itself has previously highlighted. 	
<p>The Commission report that a new hub airport would be likely to have an upper limit of 800,000 air traffic movements (ATMs) per year, and that this would mean that the incremental increase in capacity offered by a new hub airport, over a single new runway at an existing airport is relatively small.</p>		X	X		X	<ul style="list-style-type: none"> In the absence of detailed airspace simulation modelling, the 800,000 ATM limit identified by the Commission appears premature. In light of the differing advice which NATS has provided different parties, it would be unsound to reach a definitive conclusion at this stage. It is worth noting, by way of comparison, that 5-runway Atlanta airport – the world’s busiest, albeit in a less complex airport system – accommodates over 950,000 ATMs every year. 	<p>TfL response to AC Feasibility Study call for evidence (Para 8.7)</p> <p>TfL response to AC Feasibility Study 2 (Para 3.23)</p>
						<ul style="list-style-type: none"> The Commission appear to be overstating the movements required by a hub to be able to offer the passenger throughput that could meet forecasts. TfL’s airport design work has demonstrated that a four runway hub would be able to accommodate up to 1 million ATMs – but that it would only require around 830,000 to accommodate 150mppa in line with forecast demand. 	<p>TfL response to AC Feasibility Study call for evidence, Technical Note K: Potential airspace impacts of a new hub airport [Atkins]</p> <p><i>AC Long term options: updated Sift 3 templates, Isle of Grain</i></p>
						<ul style="list-style-type: none"> Even if the number of ATMs was limited to 800,000 per year, the Commission overlook the additional benefits that a 4-runway airport could offer in terms of resilience – as compared to, for example, a three runway Heathrow, which would have to operate close to 100% runway utilisation to achieve any more than 600,000 ATMs 	<p>TfL response to AC Feasibility Study call for evidence (Para 8.5, 8.6)</p>
<p>The Commission claim that the ability to support 24-hour operations is “of limited relevance” and that those competing airports which do have 24 hour operations are not well used during the night.</p>			X	X	X	<ul style="list-style-type: none"> The significance of 24-hour operations is the ability to operate in the night period without significant noise disturbance; it is only possible for the Commission to reach this conclusion if based on an interpretation of the night period which excludes early morning arrivals, which the Commission itself recognises as valuable. However, this is at odds with World Health Organisation (WHO) guidance of a night period of 11pm-7am, nor does it reflect the sleep patterns of hundreds of thousands of local residents. By dismissing the benefits of 24 hour operations, the Commission also ignore the evidence of the value of overnight movements to the freight industry. 	<p>TfL response to AC Feasibility Study 2 (Para 3.57)</p> <p>WHO Europe, Night Noise Guidelines for Europe (Para 1.3.1)</p> <p>FTA: Sky High Value</p>
Economy							
<p>The Commission assert that the overall level of economic benefit has been overestimated, given uncertainty associated with passenger numbers</p>		X	X		X	<ul style="list-style-type: none"> The Commission’s assessment of the likelihood that the scale of economic benefits (citing solely, those submitted in May 2014 by TfL) are overstated are based on a series of assumptions which do not reflect the most up to date evidence available (submitted in August 2014). Overstating any risk will inevitably affect the overall balance in the Commission’s assessment. 	<p>TfL response to AC Feasibility Study 3 (Para 3.7, 3.9)</p>
						<ul style="list-style-type: none"> When considering the overall scale of economic impacts, the more up to date evidence relates to 150mppa. These revised assumptions are compatible with the Commission’s own assumptions about future demand forecasts and total capacity of ITE airport. [150mppa is lower than the Commission’s own demand forecasts of 158mpppa and would equate to approximately 830,000 ATMs (confirmed by the Commission Sift 3 assessment). It is therefore reasonable to assume that such passenger numbers can be accommodated within the potential limit of 800,000 movements suggested by NATS.] Whilst the relative importance of any uncertainty would increase if the overall scale of potential economic impacts were reduced, it could be expected that there would be an increased likelihood that the economic impacts could be fully realised; thus, the level of risk would be reduced overall. 	<p>TfL response to AC Feasibility Study 3 (Table 2)</p>
						<ul style="list-style-type: none"> Uncertainty relating to potential market preference is based on an attitudes survey which is extremely limited in nature and whose 	<p>TfL response to AC Feasibility Study call for</p>

						findings in part contradict evidence submitted by TfL based on international experience.	evidence, Technical Note M: Attitudes to relocating hub airports [York Aviation] TfL response to AC Feasibility Study 2 (Para 3.54)
The Commission state that there is a significant risk that economic benefits would be subject to greater discounting if ITE was not fully operational by 2030.			X		X	<ul style="list-style-type: none"> Conclusions are based on total economic benefits being fully realised by an operational airport in 2030. This is not the case. Evidence of economic benefits submitted by TfL is based on gradual increase in passenger numbers up to 2050 – initial throughput in 2029 estimated at 90mppa. 	Impacts of a new hub airport on the local and national economy; Oxford Economics, 2013
						<ul style="list-style-type: none"> It has always been fully expected that economic benefits would be realised across a 20 year period – most up to date figures are based on full operation in 2050. The assumed impacts of economic benefits being subject to 'greater discounting' if not delivered by 2030 are therefore overstated. 	Impacts of a new hub airport on the local and national economy; Oxford Economics, 2013 Response to AC Feasibility Study 3 (Table 2)
The Commission claim redevelopment of the Heathrow site is uncertain			X		X	<ul style="list-style-type: none"> The Commission fails to take into account all the external drivers identified within TfL's submission which demonstrate that the risk of slow or unsuccessful redevelopment at Heathrow will be minimised. Examples include the Commission's overlooking the dominant drivers for development in London, including significant housing demand exceeding current supply, the strength of London's property market and the positive impact that transitional arrangements and independent development bodies would have in facilitating timely and successful delivery. 	TfL response to AC Feasibility Study call for evidence (Para 5.14, 5.17 and 5.20)
						<ul style="list-style-type: none"> In citing international examples, the Commission overstates the negative, especially with regard to timeframes. No account is seemingly taken of the economic growth context or the severe unmet demand for housing in London and why such factors which limit the applicability of the international examples. It could be deemed highly misleading to draw comparison with other cities where there has not been the same political or economic impetus and in certain cases where a longer build out period was envisaged from the outset. 	TfL response to AC Feasibility Study 3 (Para 3.46)
The Commission make reference to uncertain net national economic benefits		X	X	X	X	<ul style="list-style-type: none"> The level of risk associated to the scale of any net-national economic benefit is potentially overstated as a result of required evidence being unavailable. Concluding that the ITE may result in an overall negative impact is premature. 	TfL response to AC Feasibility Study 3 (Para 3.2) <i>AC Feasibility Study 4, Para 5.1.2.3 and 5.3.1.4</i>
						<ul style="list-style-type: none"> Evidence presented by TfL points to significant positive economic impacts from a new hub airport, locally, regionally and nationally. Nonetheless, both TfL and PwC (in Feasibility Study 4) recommend additional work (e.g. CGE modelling) is undertaken to understand more fully the effects of Heathrow's relocation, subsequent business relocation and any impacts of a general economic shift to the east from the west – i.e. to understand socio-economic impacts in full. This modelling has not yet been undertaken, so there is no sound basis for the Commission to conclude that "these benefits would [not] necessarily constitute a net economic gain for the country and outweigh economic losses elsewhere". 	Impacts of a new hub airport on the local and national economy; Oxford Economics, 2013 TfL response to AC Feasibility Study call for evidence (Para 5.1)
Surface Access							
The Commission state that there is a significant level of uncertainty and risk associated with the delivery of a surface access package required to meet long term demand from ITE option	X			X	X	<ul style="list-style-type: none"> The Commission do not consider the relative merits and disbenefits of an ITE option on a consistent basis with shortlisted schemes. Whilst it is recognised that the purpose of the assessment to undertake a comparative assessment against the other shortlisted options, it is important that a consistent approach to identifying the scale of impacts is taken – particularly when these are used in the weighting of any decision about the credibility of an ITE option. Within this context, the Commission highlights the need for an optimal ITE surface access package to meet long term capacity demand and achieve a sustainable mode share, though to date has failed to recognise that current proposals at LHR and LGW will be less able to 	TfL response to AC Feasibility Study 4 (Para 3.21-3.22)

						<p>meet these objectives.</p> <ul style="list-style-type: none"> Furthermore, the Commission's appraisal methodology for estimating the cost of delivering credible highway airport access is unconventional: <ul style="list-style-type: none"> Where there is spare highway capacity on the links serving an airport – as is the case for the ITE – substantial highway cost is attributed to airport expansion (as roads are widened to accommodate traffic flows) Where there is no spare capacity on the links serving an airport – as is the case in the future around both Heathrow and Gatwick – then no highway cost has been attributed to airport expansion (as it is assumed, somewhat optimistically, that the roads will be widened anyway) As such, this methodology is truly perverse in favouring expansion at locations where the highway network is overcapacity in preference to locations where there is still some spare highway capacity. 	
The Commission state that “it was not the purpose of the Estuary surface access study to carry out a comparative review of the Estuary proposals against short-listed schemes”			X	X		<ul style="list-style-type: none"> The range of surface access solutions that have been proposed across the different airport capacity options remaining on the Commission's table highlight that any evaluation of the surface access requirements and the associated allocation of costs is underpinned by a number of important assumptions. These assumptions must be drawn up fairly and without favouring particular options – and then be applied equally to all the options under consideration. It is deeply regrettable that the Commission believe that an assessment of the ITE surface access can be undertaken in a vacuum, without demonstrating comparability with the other options. 	TfL response to AC Feasibility Study call for evidence (Para 6.2)
Discounts option of an HSI – HS2 Link and identifies need for additional HSI platform capacity at St. Pancras	X		X	X		<ul style="list-style-type: none"> Although recently removed from the core HS2 programme, there is still an aspiration to achieve a link between HS2-HS1 in the future due to the connectivity benefits it will bring, even without an ITE airport. ITE's rail proposition will add to these connectivity benefits and the link will increase the airport's rail catchment area and rail mode share. The Commission cannot justify removing this link from the analysis. TfL have not determined a requirement to associate the cost of additional platforms at St. Pancras to an ITE airport. As such the overall cost and associated risk is overstated. 	TfL response to AC Feasibility Study 4 (Para 3.6-3.7, 3.20)
There is a need for significant highway widening in order to accommodate an ITE option				X	X	<ul style="list-style-type: none"> The extent of motorway, A road and local highway enhancements which the Commission is associating with the ITE is overstated, for two reasons: <ul style="list-style-type: none"> The high-level approach the Commission has adopted attributes the full cost of widening a highway with only a very small change in demand attributed to the ITE. At the high level of highway demand forecasting that does not include assignment modelling which the Commission have adopted, it is not credible to predict such small changes in demand and associate the cost of widening highways some distance (over 50km) away from the airport 	TfL response to AC Feasibility Study 4 (Para 3.31-3.33)
Public Transport mode share of 65% at ITE is unattainable			X		X	<ul style="list-style-type: none"> Planning a brand new airport gives the opportunity to deliver a surface access strategy which will achieve a much higher public transport mode share than currently achieved by airports in the UK – but which is achieved elsewhere (e.g. Hong Kong's new airport). To write off this aspiration so early in the planning stage is to be resigned to repeating the planning mistakes of the past. 	TfL response to AC Feasibility Study 4 (Para 3.26-3.30)
There will be capacity constraints on Crossrail					X	<ul style="list-style-type: none"> This is unproven by the Commission. The analysis is too high-level and the predicted ITE demand for Crossrail would appear to have been overstated, given the journey time savings of the new high speed link to Waterloo via Canary Wharf. Full modelling need to be undertaken to provide robust evidence before such a conclusion can be drawn. 	TfL response to AC Feasibility Study 4 (Para 3.34)

<p>Cost estimates for surface access package would consist of an initial investment of £9.8bn - £26.9bn for rail costs and £10.1bn - £17.2bn for road costs, including risk and optimism bias</p>			X	X	X	<ul style="list-style-type: none"> ITE surface access costs which the Commission has based its conclusions appear to be grossly overestimated. Benchmarked costs of comparable rail schemes are overestimated as are inappropriate highway cost/km rates. Risk/optimism bias rates are nearly twice the industry standard. 	<p>TfL response to AC Feasibility Study 4 (Para 3.36-3.47)</p>
Environment							
<p>It is not possible to state categorically at this stage whether a decision in favour of an ITE could or could not satisfy Article 6(4) of the Habitats Directive.</p>		X	X		X	<ul style="list-style-type: none"> In reaching their decision, the Commission appear to have taken a cautious approach despite evidence submitted by TfL showing that there is no expectation that the requirements of the Habitats Directive could not be met – this includes legal opinion which should have been given significant weight in reaching its conclusion. 	<p>TfL response to AC Feasibility Study 1 (Para 3.27-3.40 and Annex 2)</p>
<p>On habitat compensation, the Commission:</p> <ul style="list-style-type: none"> deems that assessment over a number of years would be required to determine whether compensatory habitats could be provided overestimate the area of compensatory land required cites one international example to conclude that significant timescales for provision are required stipulates that delivery of successful compensation provision be demonstrated before displacement occurs 		X	X		X	<ul style="list-style-type: none"> The evidence provided by TfL and other promoters has not suggested that the work needed to identify suitable compensation habitats would take several years. The first stage of this work, identifying potential sites by a list of sift criteria has already been done by ABP Mer and was submitted to the Commission. This identified a large number of sites within 50-100km of the ITE. Work submitted by Metrotidal also demonstrated the feasibility of meeting compensation requirements within an appropriate distance of the ITE location. There is no evidence for the figures at the higher end of the range quoted by the Commission (20,400 ha). Natural England refer to a likely need for compensation of at least 2,000ha whilst the methodology applied in TfL's submission suggested a range of 4,000-6,500ha. The Commission's report goes on to say that "given the uncertainties associated with creating compensatory habitats of this scale and complexity and likely need for it be provided some distance from the original site, a ratio of gain to loss of greater than 1:1 is likely to be required. Studies indicate that 2:1 to 3:1 ratios could be more appropriate, and where uncertainty is higher, it could be more than 3:1." This is an over-simplification of the approach as well as an overestimate of the quantum. There is no indication from the evidence submitted by TfL that the ratio required will be higher than 3:1. The area of land required will be a function of its location, quality and suitability for the various qualifying interests. It will be important to take an analytical approach based on ecological principles to determine the best site(s). It will not be based on simple ratios. By applying such a grossly enlarged figure, the Commission unnecessarily inflates the level of risk associated with delivering compensatory habitat, affecting the overall balance in their assessment of risk. The international example quoted by the Commission was one raised by TfL, among others, for a scheme in South San Francisco Bay to create a new habitat totalling around 7,500ha as an indication that habitat creation on this scale is possible. The Commission stated that "by 2013, some ten years after the project began only around 3,000 hectares of new habitat have been delivered (41 per cent of the target)." However, it should be noted that: <ul style="list-style-type: none"> having delivered 3,000ha already, this project is already at the lower end of the Commission's scale of habitat required; The project is being carried out for different reasons and as such is not under time pressure to deliver by a particular date; there is no indication that the project is over-running or having problems in implementation; it was conceived as a multi-decade project. The TfL submission recognised the timescale required in its submission, noting that many years would be available in this case to create suitable habitat in advance of the airport opening. But contrary to its presentation by the Commission, no negative aspects of the US 	<p>TfL response to AC Call for evidence (Para 3.31)</p> <p>TfL response to AC Feasibility Study 1 (Para 3.49-3.55)</p> <p>Metrotidal response to AC call for evidence</p> <p>Natural England submission to AC Call for evidence (Para 1.26)</p> <p>TfL response to AC Feasibility Study 1 (Para 3.3-3.17)</p> <p>TfL response to AC Feasibility Study call for evidence (Para 3.24)</p> <p>TfL response to AC Feasibility Study 1 (Annex 4)</p>

						<p>example have been identified which have implications for the ITE scheme. Again the level of risk has been overstated – affecting the overall balanced assessment.</p>	
						<ul style="list-style-type: none"> We cannot find any precedent in UK planning history for the Commission's suggestion that compensatory habitats be fully delivered before displacement occurs. The normal process is to define a compensation package on the basis of the best available scientific knowledge, to implement at the time of the impact and to monitor and make changes in management to address any problems. This was set out by TfL in its most recent submission. 	TfL response to AC Feasibility Study 1 (Para 3.49-3.55)
There is a high probability of future cultural heritage designations within the vicinity of an ITE option					X	<ul style="list-style-type: none"> The evidence to which the Commission refers (Para 3.59) in relation to the likelihood of future cultural designations appears to relate to the "Areas of Archaeological Potential" identified by Kent County Council and the views of amateur historians with "some archaeological knowledge". Whilst it is agreed that there is a high probability of archaeology within the site, this does not necessarily mean that they will result in formal designations. Any archaeological issues could be adequately addressed as part of any future planning process and there are a number of mitigation measures that could be employed (as identified by TfL in earlier submissions). Subsequently the level of risk is overstated, potentially affecting the overall balance of the Commission's assessment. 	TfL response to AC Feasibility Study call for evidence, Technical Note G: Cultural Heritage [Atkins]
Number of flights passing over central London may reduce			X		X	<ul style="list-style-type: none"> All the evidence, whether from the Commission or those responding to its consultations, indicate that an ITE would result in dramatically reduced noise exposure. The Commission have not presented any evidence that might suggest that the aircraft movements over London would remain constant or increase. Flight path modelling commissioned and submitted by TfL demonstrated that London would likely avoid being overflown altogether. As such, there is simply no justification for the Commission to cast substantial doubt on this by stating that an ITE option 'may' reduce the aircraft overflying London. 	<p>Isle of Grain Airport, Noise Analysis Report – ERCD, 2013</p> <p>AC Long term options: updated Sift 3 templates (Isle of Grain)</p> <p>Mayor of London submission to Airports Commission: Outline proposal for long term aviation capacity, July 2013 (Figure 6.2)</p>
People							
There is very little support for an ITE airport within local communities					X	<ul style="list-style-type: none"> The Commission references the opposition by local authorities but would seem to play down the scale of business support in the Thames Gateway. Its feasibility study findings, reinforced by the recent member survey by Kent Invicta Chamber of Commerce, found that when businesses in Kent were asked, there was strong support for a new hub airport in the ITE. By failing to recognise the level of support within the local community, the overall balance in the Commission's assessment is likely to have been adversely affected. 	<p>Demand Regeneration in North Kent (Submission)</p> <p>Kent Invicta Chamber of Commerce survey (reported by GLA, 26 August 2014: https://www.london.gov.uk/media/mayor-press-releases/2014/08/new-figures-reveal-an-estuary-airport-would-provide-thousands)</p>
Uncertainty about the pace and delivery of associated development (e.g. housing / employment)			X		X	<ul style="list-style-type: none"> As with overall economic impacts, it would appear that the decision is predicated on the basis that all housing would need to be delivered upon opening in 2030. This is not true. There would be an incremental increase in the necessary supporting development up to and beyond 2030. The decision fails to take into account the evidence provided by TfL which demonstrates the potential catalytic and ultimately positive impact that an ITE could have in relation to development rates in the north Kent area. It fails to fully consider the contribution that extant planning permissions could have in contributing to the early delivery of associated development within the local area. The decision is narrowly focused on the existing rather than future development frameworks which would need to take into account the existence of an ITE airport and fails to consider wider market response in achieving the necessary uplift in development rates. It also ignores recent proposals which demonstrate potential to deliver significant development in the region. By failing to recognise the opportunities to increase delivery rates and 	<p>TfL response to AC Feasibility Study call for evidence (Para 5.30)</p> <p>TfL response to AC Feasibility Study 3 (Para 3.39)</p>

						exaggerating delivery timescales, the overall balance in the Commission's assessment is likely to have been adversely affected.	
Cost							
<p>The Commission continue to use a wide cost range, allowing for an amended optimism bias and maintaining risk allowance at 40% - underpinned by what it says is the significant risk of escalating costs.</p> <p>The Commission uses this to conclude that significant recourse to the public purse is required and there would be no guarantee that an ITE option would be a funding priority when other opportunities exist.</p>			X	X	X	<ul style="list-style-type: none"> The implications of the full range of costs have not been considered by the Commission. The conclusions in Para 3.82 appear to have been made on the basis of the highest cost estimates set out in Table 3.4. They ignore the potentially lower costs identified in Para 3.75, which are more closely aligned to best practice application for optimism bias and risk. Had the lower basic costs be considered then these would be between £53 - £71bn which, when considered alongside the receipts from Heathrow revenues, redevelopment values and sales receipts would result in residual costs of less than the £20 - £30bn estimate. Any residual cost to taxpayer using these lower figures would be more aligned with the other large scale infrastructure projects in the National Infrastructure Plan identified by the Commission. In reaching conclusions about potential prioritisation, the Commission's conclusions fail to consider the wider social and economic benefits which would ensure a new airport is more closely aligned with a range of government objectives compared to other projects. 	TfL response to AC Feasibility Study call for evidence (Para 5.17, 5.30, 5.37 and Chapter 9)
Operational Viability and Deliverability							
<p>The decision states the Commission's concerns in the potential reduction in investment around Heathrow following a Government announcement and in the transition stage.</p>			X		X	<ul style="list-style-type: none"> There appears to be no clear justification or basis for the Commission's concerns. When considering the impact of businesses relocating around Heathrow, Feasibility Study 2 is clear that <i>'business strategies are not sufficiently mature to build a confident picture of those businesses that would relocate and when'</i> (AC ITE Feasibility Study 2, Para 10.4.3). The conclusion should therefore be treated with caution. When considering investment in Heathrow itself (and therefore the potential impact on international connectivity), such a position is contrary to the Commission's own preference set out in Discussion Paper 07 for the Government to take control, ensuring that an appropriate level of investment and operation is maintained until its closure (AC Discussion Paper 08, Para 4.14) – reducing the level of claimed uncertainty. Any associated risk is therefore overstated. 	<p>TfL response to AC Feasibility Study 2 (Para 3.45)</p> <p>TfL response to AC Discussion Paper 07 (Para 6.3)</p>
<p>The Commission report that there is a high probability that a new hub airport could not be delivered by 2030</p>			X		X	<ul style="list-style-type: none"> The Commission's assessment of risk as a whole (for the reasons set out above) appears to be based on the assumption that an ITE option would need to be fully operational by 2030, in the context of the urgent need to deliver an additional runway by 2030. However, TfL's evidence has consistently demonstrated the delivery of an ITE option in the context of incremental expansion – opening in 2029 and fully built out by 2050. As considered above, a number of the risks identified in the bullets set out under Para 3.85 in the Commission's Decision Paper are overstated – for example the level of public expenditure and surface access delivery – which could be delivered as part of DCO or Hybrid Bill and therefore not subject to the level of risk assumed by the AC, or the delivery of new housing and employment. This has resulted in the overall conclusion that costs and risk would increase as a result being notably overstated. 	TfL response to AC Discussion Paper 07 (Para 2.4, 2.10)